

# ACCELERATE

A **MINNEAPOLIS SAINT PAUL**  
REGIONAL PROSPECTUS  
FOR STIMULATING  
THE ENTREPRENEURIAL ECOSYSTEM

THE METROPOLITAN BUSINESS PLANNING INITIATIVE

BROOKINGS



## A MESSAGE FROM MINNEAPOLIS SAINT PAUL

It was just a lunch. On the day after being elected in 2005, the two of us met over local Italian fare with the hope that our cities, too often divided, could come together and start acting like a single unified region. That simple lunch not only turned into a media frenzy covered by seemingly every news outlet around, but launched a partnership not seen in our region for over 30 years.

This beginning developed into a strong collaborative foundation that over the past five years, has, indeed, become the new normal—not only for our two cities, but for our regional partners as well. Together we have secured significant investments through public, private and philanthropic partners including Living Cities and the U.S. Department of Housing and Urban Development to strengthen economic opportunity along our transit corridors.

Because recent indicators reveal distinct signs of economic decline, we have formed a dynamic private/public partnership that includes regional mayors, CEOs, the Minnesota Department of Employment and Economic Development and the Target Corporation, to shape an economic development initiative that will take us to a new level of regional prosperity.

Ours is a region that gave rise to 3M, Control Data, Medtronic, and dozens of other success stories. We are home to one of the finest public research universities in the world as well as a host of small colleges. We know that there are good ideas ready to launch and companies ready to be born that will grow our economy. We propose to accelerate innovation and entrepreneurship and put the entire strength of this region squarely behind the most promising of those ventures. It is a business proposition, pure and simple. We know that as they grow, these companies will create new markets for local goods and services, provide meaningful employment, add vitality to our neighborhoods and expand our tax base, which will, in turn, give rise to more good ideas and the cycle begins again.

As mayors, this is the work we were elected to do. That we have the opportunity to work together at the heart of such a forward-thinking region is indeed a privilege.

Sincerely,

**Christopher B. Coleman, Mayor**  
City of Saint Paul

**R.T. Rybak, Mayor**  
City of Minneapolis

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## THE PROPOSITION

**T**he Minneapolis Saint Paul region is leveraging its tremendous asset base of well-educated workers, high-performing research institutions, and numerous homegrown Fortune 500 headquarters, as well as longstanding experience in regional collaboration, to regain economic momentum and shape a more dynamic, innovative, and flexible business environment.

Our proposed new **Entrepreneurship Accelerator (EA)**, one of several interrelated efforts to address gaps in the region's entrepreneurial ecosystem, will create jobs and strengthen the position and performance of the 13-county metropolitan economy going forward. In particular, the regional EA will:

- Address a gap in available resources to help the region's numerous pre-venture, entrepreneurial opportunities become successful startups
- Offer a comprehensive set of entrepreneurial resources, including mentoring, expert business advice, hands-on technical assistance, and capital
- Attract new capital for the region's entrepreneurs and startups
- Profit from the experience and recognized expertise of JumpStart, Inc., which is advising the design and implementation of the EA
- Benefit from a significant degree of regional buy-in from prominent business, civic, philanthropic, and local government leaders

**Regional, state, and federal leaders all have important roles to play in the EA's success and sustainability:**

- Federal, state, regional and local policymakers can initiate new forms of partnership to better align multiple agency resources to build on and integrate efforts already underway, and pursue policies that foster more angel and venture capital (VC) investing

**The entire 13-county region will benefit from engagement with the EA, as it focuses on high-potential pre-venture new business opportunities.**

EA's mission is to provide the financial resources and expert entrepreneurial assistance needed to transform high-potential opportunities into high-value startups capable of attracting angel or venture capital. To accomplish its mission, the EA will:

- Address the regional resource shortages and investor preferences that pose a barrier to the development of many would-be entrepreneurial startups in the region
- Provide venture development best practices to create venture-ready companies by embracing and managing risk via investment criteria and technical expertise
- Deliver intensive business assistance and direct investments of up to \$700,000 to its own portfolio companies
- Track economic returns and raise a substantial portion of its funding from government and philanthropic sources to insure the EA's sustainability over time

## THE BIG PICTURE

**M**inneapolis Saint Paul is ready to reestablish itself as a center for innovation, entrepreneurship, and economic growth.

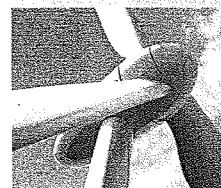
**STRONG FUNDAMENTALS.** Minneapolis Saint Paul boasts a considerable economic engine. The region is anchored by such assets as 21 major Fortune 500 companies (nearly all of them homegrown), a highly-skilled workforce where 37.6 percent of the residents (a top-10 U.S. metro ranking) hold at least a college degree, and a research infrastructure with a patenting rate nearly double the U.S. average. Together these and other economic drivers fueled the region's successful transition from a resource economy to a knowledge-based one in the 1980s and 1990s, and drove its advances in fields such as information technology, biosciences, medical devices, and financial services. Minneapolis Saint Paul's productivity and wage levels in 2008 were among the highest of the largest U.S. metros and it has fared better than many other metros in the Great Recession, with its unemployment rate falling more rapidly since 2009 than nearly any other U.S. metro's.

**NEEDS A BOOST.** And yet, despite a strong asset base, the regional economy suffers from gaps and missed opportunities. For example, Minneapolis Saint Paul's growth rates between 2002 and 2008 for productivity, wages, and employment all trailed national averages. Despite a high patenting rate, technology transfer and spinoff from the region's public and private research institutions are not generating a high and lasting impact on regional jobs and growth. The region generates several hundred pre-seed business opportunities annually across a range of technologies including medical devices, biotech, med-tech including diagnostics and testing, IT/software/informatics, advanced materials, renewable energy, electronics, agricultural tech, and healthy foods. However, few of them find the financial resources and expert assistance they need to transform into high-value startups capable of attracting angel or venture capital.

**LOOKING FORWARD.** National trends point to a post-recession economy that will be lower carbon and increasingly innovation- and export-oriented- and Minneapolis Saint Paul intends to participate. Along these lines, Minneapolis Saint Paul is strategically planning to leverage and redeploy its significant assets to renew a static regional economy and foster a more dynamic, innovative, and entrepreneurial business environment. Regional leaders are in the process of pursuing strategies to better link smaller firms to large corporate headquarters; promote more commercialization and formal networking in the biosciences and medical devices clusters; reduce racial disparities in education; more fully utilize older workers in new job opportunities; develop a region-wide entrepreneurship action plan; create a new regional economic development partnership; and invest in new transit corridors informed by land use connections.

**FOCUS ON ENTREPRENEURS.** In the "next" economy, building up the region's entrepreneurial ecosystem has great potential for propelling Minneapolis Saint Paul to the next level of regional prosperity. Since 2002, Minneapolis Saint Paul has experienced declining shares of entrepreneurs and high-tech jobs. Further, a low percentage of regional venture capital currently flows to "seed stage" or "first round" investments, and the rate of loan origination to the region's small and midsize businesses is less than 60 percent that of leading regions. The proposed Entrepreneurship Accelerator will help reverse these trends and facilitate better sequencing of capital funding by accelerating development of early-stage firms into venture-ready investments capable of attracting later stages of follow-on capital. Minneapolis Saint Paul entrepreneurs will benefit from a continuum of services including business planning, mentorship, networking, talent attraction, and capital acquisition.

the big picture



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## THE VENTURE

The proposed **Entrepreneurship Accelerator (EA)** will strengthen Minneapolis Saint Paul's entrepreneurial infrastructure to stimulate the development of more innovative, high-growth companies.

**DESIGNED TO DELIVER.** The EA's specific mission will be to help high-quality pre-venture opportunities advance through the earliest and riskiest phases of commercialization to attract various sources of professional capital from angel investors and venture capitalists. Its primary lines of business include:

- **EA Exchange:** Work with regional partners to elevate events that connect and educate entrepreneurs and celebrate entrepreneurship. An online community will facilitate information-sharing among entrepreneurs, investors, and resource providers, and an annual economic impact report will track changes in regional economic factors affected by entrepreneurship
- **EA Investments:** The EA will invest \$350,000 in each of four to six new companies per year, and anticipates providing a follow-on investment of another \$350,000 to half of these companies. The EA will use a thorough four-stage selection process to select the best investment prospects. The EA will release funds in tranches as portfolio companies achieve agreed upon milestones
- **EA Services:** Experienced, successful entrepreneurs and business executives will mentor the EA's portfolio companies, connecting them to management talent and other resources, and coaching them through the process of attracting investment capital

The EA will carefully direct its investments to entrepreneurs region-wide to produce a balanced portfolio of pre-venture companies that includes multiple industries and technologies, and includes women and minority entrepreneurs. In general, the EA will invest in companies that meet the following criteria:

- **High-potential:** Ventures capable of reaching significant revenue and levels of employment at meaningful salaries in five to seven years

- **Protectable ideas:** Ideally, the company will be based on a proprietary technology that the company can protect using patent or other similar claims. If the company is a service firm, it must have a well-defined and sustainable competitive advantage
- **Large potential market:** Venture ideas must address a market opportunity that is large enough to provide significant room for meaningful growth within five to seven years

In addition, EA will especially focus on:

- **Women- and minority-owned businesses:** The EA will implement a variety of programs and strategies to attract as investment opportunities high potential companies owned by women and minorities.

**SEIZING MARKET OPPORTUNITIES.** The EA expects to invest in four to six companies per year. To do this, the EA will provide intensive entrepreneurial assistance to as many as 40 or 50 companies. Based on research performed by JumpStart in partnership with a group of regional leaders, the EA expects to review several hundred technology-based pre-venture opportunities annually. As noted, the regional ecosystem currently lacks the resources necessary to help this volume of pre-venture companies advance their opportunities and attract angel or venture capital. The EA therefore expects it will initially face a high volume of opportunities that meet its investment criteria.

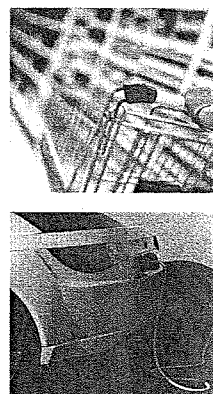
**ADDRESSING MARKET BARRIERS.** The EA will help tackle two major barriers that prevent many Minneapolis Saint Paul entrepreneurs from developing their ideas into successful start-ups. First, the EA will help entrepreneurs complete their management teams, develop market-ready products, and secure

their first few customers, which in most cases are basic requirements for angel and venture capital investors. Second, the EA will help entrepreneurs develop the business and go-to-market plans, deal structures, and investor presentations necessary to attract angel and venture capital.

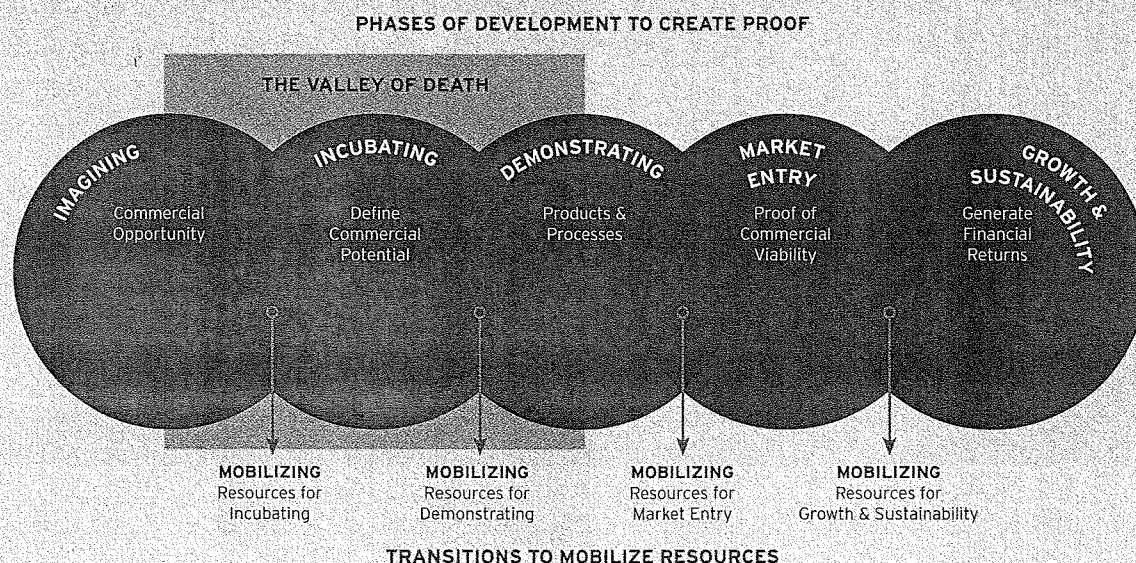
**ENGAGING PARTNERS.** The EA will continuously engage with players along the region's "capital continuum," including angel, VC, philanthropic and corporate investors, and government grant programs administrators (See schematic this page). The EA will also engage with angel and venture investors located outside the region to help build the region's profile as a hotbed of entrepreneurship. To identify and recruit experienced and successful executives and entrepreneurs to its team, the EA will tap into regional resources including but not limited to research institutions, trade associations, entrepreneurship advocacy groups and angel and VC investor networks. The EA will also form strategic alliances with minority- and women-specific media channels, various networking organizations, executive-level recruiters, and national entities like the Kauffman Foundation and the National Association of Investment Companies to successfully reach women and minority communities across the region.

**MAKING IT ALL WORK.** The EA will be a non-profit venture development organization, overseen by a board of directors experienced in entrepreneurship, investing and economic development. The EA will structure its operations around proven critical functions within the general categories of finance, marketing, investing, professional services, inclusion, fundraising, talent attraction, and IT. A lean 18-person management staff will handle operations, investing, service delivery, and outreach. The EA will capture and report specific performance metrics including follow-on financing attracted, revenue generated and jobs created by portfolio and client companies.

During its first three years of operations, the EA will raise between \$12 and \$16 million in funds, primarily through government and philanthropic sources. The EA will use approximately 15 percent of the budget for general overhead. From the remaining portion, the EA will commit 50 percent to investment and 50 percent to service delivery. With its focus on relatively long-term investments in pre-venture stage companies, EA does not anticipate that its earnings from investment will sustain its operations, at least during the first 10 years. The EA will therefore work continuously to secure government and philanthropic grants.



The EA will focus on filling the gap between available resources and new opportunities primarily in the incubating and early demonstrating phases of commercialization



## THE TEAM

**T**he EA proposal benefits from an impressive team of experts and prominent regional stakeholders committed to ensuring its successful implementation.

**THE EA PROJECT LEAD.** The city of Saint Paul, in partnership with JumpStart Inc. and a group of regional entrepreneurship stakeholders, is leading the custom design and implementation of the EA. JumpStart is providing advice and counsel on best practices in the design and operation of a venture development organization. A Cleveland-based venture development organization, JumpStart has raised over \$60 million in the last six years, invested in over 53 opportunities (almost one-third women- or minority-owned at the time of investment), and helped attract over \$300 million in follow-on capital for portfolio companies. The U.S. Economic Development Administration (EDA), the John S. and James L. Knight Foundation, and the Surdna Foundation recently funded JumpStart to provide similar assistance to eight Midwest regions, including Minneapolis Saint Paul. JumpStart is a recognized expert in the field, and is a founding partner of Startup America, the federal initiative to support entrepreneurship and innovation throughout the U.S.

**REGIONAL STAKEHOLDERS.** To work with JumpStart, Brookings, and others on the development, funding, and implementation of the EA, the region assembled a team of entrepreneurs, investors, economic development professionals, and others. The team also includes officials from the cities of Minneapolis and Saint Paul and other local governments; the State of Minnesota; representatives from the Urban Land Institute Minnesota, the Regional Council of Mayors, Target Corporation, and the Itasca Project (a collaborative of prominent regional CEOs); and participants from various philanthropies. This broad base of stakeholders ensures that plans for the EA enjoy regional buy-in, address regional concerns and priorities, and target identified gaps in the entrepreneurial ecosystem.

**THE EA IMPLEMENTATION TEAM.** The EA will build a management team of experienced professionals highly skilled in helping pre-venture opportunities become successful startups. The team will also have experience in fundraising, operations, accounting, IT, and all aspects of marketing (branding, product launch, sales support.) With this set of skills represented, the management team will be well-positioned to implement the EA's activities and carry out its mission.



## THE ASK

**R**egional, state, and federal leaders each have important roles to play in ensuring successful EA implementation and operations.

**BUSINESS AND REGIONAL LEADERS.** For Minneapolis Saint Paul leaders, the EA presents a high-impact approach to boosting the entire regional economy. To help, they can:

- Support the development of the Regional Entrepreneurship Action Plan (REAP) being developed with the assistance of Jumpstart and funding from EDA and the Knight Foundation
- Support efforts to fundraise for the EA's implementation and on-going sustainability

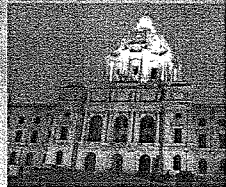
**STATE GOVERNMENT.** By expanding regional entrepreneurship, the EA can bring new firms and talent to bear in targeted clusters and key technologies such as medical devices and health sciences, clean energy, advanced materials and IT. To specifically advance the EA, the state can:

- Leverage long-term resource commitments and state policy changes to support funding for entrepreneurship and innovation
- Advance policies and regulatory changes in support of innovation and entrepreneurship
- Better align workforce development programs to growing industries so that worker retraining and skills upgrading support new business creation and expansion

**FEDERAL GOVERNMENT.** The federal government can provide direct and tangible support for the EA and similar regional initiatives throughout the U.S. Specific examples of possible federal action include:

- Initiate robust, new, economic development-focused, outcome-oriented federal-regional partnerships to enhance regional economic vitality and competitiveness. These partnerships would:
  - Provide near-term cross-agency funding to be matched 1:1 by regional sources
  - Align multiple federal resources and programs
- Create a new Federal Innovation, Commercialization, and Job Creation Network, where federally-designated centers would work with surrounding metro regions to align relevant federal resources
- Provide new resources from the Small Business Administration to support capital investments in the "valley of death"
- Institute and expand the proposed federal angel tax credit, currently under consideration in the House, to include the full universe of startups, not just those that have received Small Business Innovation Research grants

the ask



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## THE RETURNS

**B**y helping bridge the “valley of death” for hundreds of high-potential regional opportunities, the EA projects a direct return by 2020 in excess of 20:1 generated by \$400 million of follow-on funding to and new revenues from the EA’s portfolio companies and clients. The true economic impact of this activity measured in terms of jobs, taxes, and related economic activity is a multiple of this return.

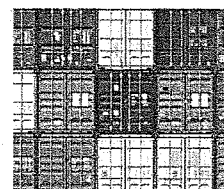
**ECONOMIC IMPACT.** The EA will initially focus on one primary metric: follow-on funding. The vast majority of the EA’s investments will be in the incubating phase of commercialization. Most will not have a market-ready product, customers, or revenues. On average, the companies that the EA invests in will take two to three years to begin generating meaningful revenues. During this period, the follow-on funding metric serves two roles. First, it validates the opportunity, especially when the funder is a new investor who understands the company’s business and makes a considered investment. Second, follow-on funding is a concrete measure of economic activity that, in most cases, would not occur without EA’s services and initial investment. The vast majority of pre-revenue companies lack customers or a market-ready product, and therefore cannot find even a fraction of the financial or expert resources they need to advance to market and attract capital. Absent the EA’s assistance, most opportunities will fail to attract funding and will ultimately fold. In this context, follow-on funding represents dollars that mostly likely would not have entered the regional economy without the assistance of the EA and other similar organizations.

Follow-on funding is not, however, the ultimate goal. As with any investment in an early stage opportunity, the ultimate goal is a competitive, profitable, and growing company that creates jobs as well as wealth for its owners, investors, and employees. During the first few years following investment, the EA will track job creation, estimated to be 113 jobs within the first three years, but recognizes that jobs are a trailing indicator. Eventually, many new jobs will be supported by the revenues and profits generated by successful, self-sustaining companies.

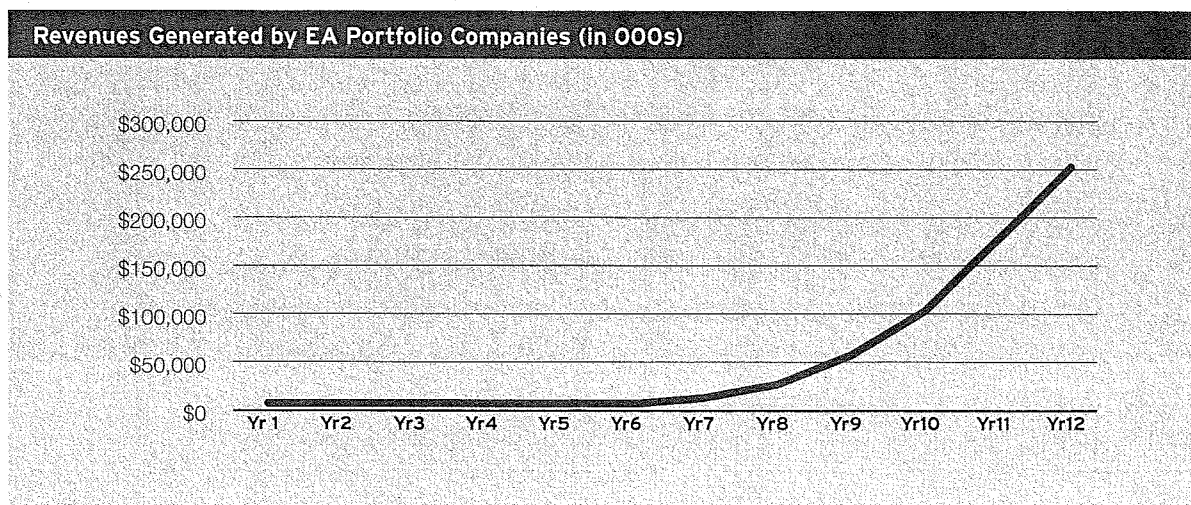
The EA is a long-term enterprise requiring sustainable commitment over the next 10 years for Minneapolis Saint Paul to see real changes in its entrepreneurial economy. The resulting returns will justify this investment in Minneapolis Saint Paul’s innovation ecosystem.

The following chart highlights the EA's initial uses of funds:

EA Pro Forma Investments and Expenses				
INVESTMENT	Year 1	Year 2	Year 3	Total
Number of Initial Investments	3	6	6	15
Number of Follow-On Investments		2	3	5
<b>TOTAL INVESTMENTS</b>	<b>\$1,050,000</b>	<b>\$2,625,000</b>	<b>\$3,150,000</b>	<b>\$6,825,000</b>
OPERATING EXPENSES AND SERVICES				
Salaries and Benefits	\$1,929,688	\$2,375,000	\$2,375,000	\$6,679,688
Facilities	\$52,500	\$52,500	\$52,500	\$157,500
Furniture and Equipment	\$138,825	\$29,700	\$29,700	\$198,225
Professional Fees	\$43,500	\$30,750	\$34,500	\$108,750
Communications and Telephone	\$32,400	\$32,400	\$32,400	\$97,200
Consultants	\$120,000	\$120,000	\$120,000	\$360,000
Marketing and Outreach	\$227,000	\$118,000	\$118,000	\$463,000
IT (consultants, licenses, etc.)	\$21,000	\$21,000	\$21,000	\$63,000
Travel	\$44,400	\$44,400	\$44,400	\$133,200
Insurance	\$12,000	\$12,000	\$12,000	\$36,000
Dues and Subs	\$30,000	\$30,000	\$30,000	\$90,000
Professional Development	\$12,000	\$12,000	\$12,000	\$36,000
Supplies	\$21,600	\$21,600	\$21,600	\$64,800
Other	\$60,000	\$60,000	\$60,000	\$180,000
<b>TOTAL EXPENSES AND SERVICES</b>	<b>\$2,744,913</b>	<b>\$2,959,350</b>	<b>\$2,963,100</b>	<b>\$8,667,363</b>
<b>TOTAL INVESTMENTS AND EXPENSES</b>	<b>\$3,794,913</b>	<b>\$5,584,350</b>	<b>\$6,113,100</b>	<b>\$15,492,363</b>



The following graph shows projected revenue growth for EA portfolio companies:



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## THE PROOF

**T**he EA commits to measuring performance in its mission to advise, assist, and accelerate the growth of high-potential firms against a defined set of process and outcome metrics.

**Process metrics identify successes and challenges, and demonstrate activity and volume. Appropriate process metrics for the EA include:**

- Outreach
  - Connections facilitated
  - Events, attendance, and audience composition
- Deal flow
  - Tech/industry segment
  - Commercialization stage
  - Demographic profile of clients
- Service hours invested
  - Pro bono service delivery
  - Value of services
- Specific activities
  - Number of investments made
  - Number of companies receiving investment

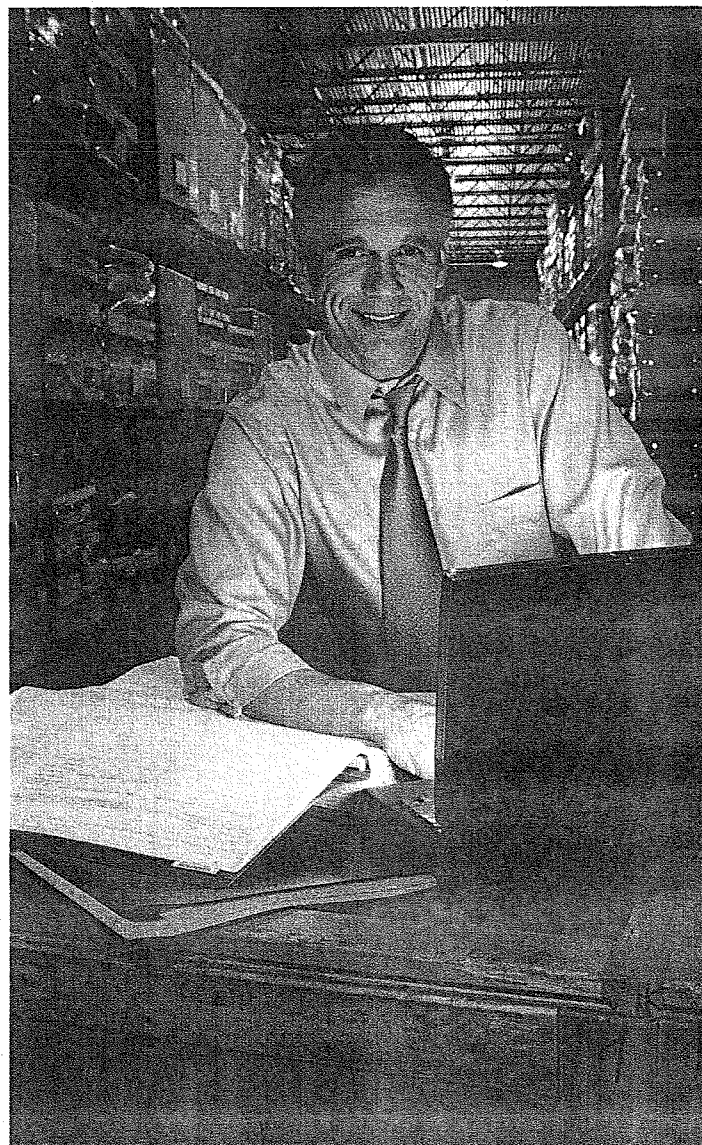
➤ Efficiency

- Cost per job created
- Clients served per staff member
- Average hours per week servicing clients

These metrics should be independently evaluated and reported as well.

**Outcome metrics are results-oriented deliverables that demonstrate success. Relevant outcome metrics against which the EA's performance and return should be measured include:**

- Impact
  - Funding generated for operations and investments
  - Follow-on funding achieved by portfolio companies
  - Portfolio company revenues
  - Jobs created and retained by portfolio companies
  - Average salaries in portfolio companies
  - Commercialization stage progression by clients over time



## DOWNSIDERS AND UPSIDES

In creating the EA, regional stakeholders will have to successfully negotiate a number of challenges.

**CONVERTING FROM A COMPETITIVE TO A COLLABORATIVE LANDSCAPE.** Minneapolis Saint Paul is already home to more than 25 public and private organizations that provide services and some capital to high-growth, pre-venture opportunities in the imagining, incubating, or demonstrating phases of commercialization. The EA will be positioned to provide a combination of business and technical assistance, venture partner support, and access to funding across an array of technologies while avoiding redundancy with other effective players in the region. By focusing on areas identified as critical gaps, and leveraging the value of the venture development model, the EA will be able to address these gaps without providing duplicative products. True regional success, however, will depend on the cooperative efforts of all of the regional participants.

**RISKY INVESTMENT PORTFOLIO.** By focusing on pre-revenue, pre-venture opportunities, the EA is, by definition, a risk-oriented organization. Portfolio companies will inevitably stagnate or fail. To help manage this risk, the EA will subject all of its investment prospects to a strict selection process. Even after making an investment decision, the EA will release funds only in tranches as portfolio companies meet pre-determined milestones. When required, the EA will suspend funding if a company is not making adequate progress. By this disciplined process, the EA will direct scarce funds to the highest performing investments. The EA will tailor the business and technical assistance provided to individual companies to best mitigate the risks posed by their markets and phases of commercialization. It will also conduct a sophisticated regional marketing campaign to generate a steady flow of quality deals and ensure a diversified investment portfolio.

**SUSTAINABILITY.** Because the EA will be a nonprofit organization with a focused, long-term economic development mission, it will continuously need to secure resources to support some portion of its operations. Raising these private and public investments will be a challenge in the coming years as the national economy continues to struggle. The EA will face this problem head-on with an aggressive and disciplined fundraising effort. The EA will retain a dedicated senior development executive who will target both national and regional funding sources. The EA will employ a dedicated development staff and will closely tie development and fundraising activities to its ongoing marketing and promotional activities. To secure an ongoing stream of support, the EA will engage in educational and promotional activities designed to help regional and national funders understand the transformative nature of the results generated throughout the region by the EA and other organizations helping pre-revenue entrepreneurs.

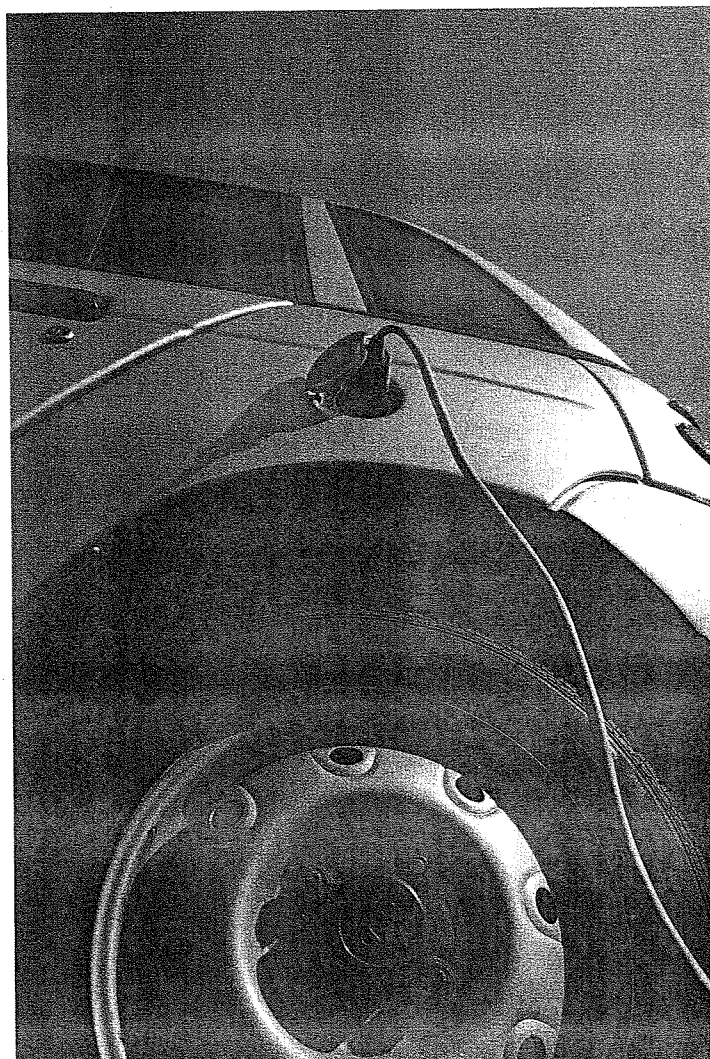
## THE RIGHT IDEA IN THE RIGHT PLACE AT THE RIGHT TIME

**T**he EA merits full stakeholder engagement for several compelling reasons.

**THE RIGHT IDEA.** The EA offers a clear value proposition: Developing high-quality, pre-venture opportunities in Minneapolis Saint Paul and connecting them to appropriate sources of growth capital will strengthen the region's entrepreneurial ecosystem and ultimately boost the entire regional economy and support job growth. The compelling 20:1 direct return on investment represents only a fraction of the true economic and transformational impact.

**THE RIGHT PLACE.** Many other regions interested in enhancing their entrepreneurial environment would vie to have Minneapolis Saint Paul's assets as a starting point. This region contains numerous resources and institutions able to connect to and support entrepreneurs and startups, including a highly educated workforce; top-quality research institutions, such as the University of Minnesota and the nearby Mayo Clinic; and a base of corporate headquarters including General Mills, 3M and Medtronic. Additionally, Minneapolis Saint Paul has a history of successful regional collaboration, beginning with the Metropolitan Council and tax-base sharing started in the 1960s and 1970s, through the more recent Regional Council of Mayors that encourages better regional governance, and the Itasca Project that unifies CEO leaders behind regional priorities.

**THE RIGHT TIME.** With assistance from Jumpstart and funding support from the EDA, the Knight Foundation and the Surdna Foundation, Minneapolis Saint Paul is already moving forward to develop a Regional Entrepreneurial Action Plan (REAP). The proposed EA stems directly from this effort. Advancing the EA's development, funding, and implementation will leverage the regional excitement generated by the Brookings and REAP projects, the Itasca Project, the Minneapolis Saint Paul Regional Cluster Initiative, and the strong commitment by public and private leaders to create a single economic development partnership for the region.





## **ABOUT METROPOLITAN BUSINESS PLANNING**

This prospectus is a part of a larger metropolitan business planning initiative led by the Metropolitan Policy Program at Brookings in collaboration with Brookings Non-Resident Senior Fellow Robert Weissbourd. Three regional business plans and associated documents with metro partners in Northeast Ohio, Minneapolis Saint Paul, and the Puget Sound region have been developed. Each plan situates the current market position of the pilot metro; details emerging regional strategies for generating metro prosperity; and advances a detailed development initiative in one pressing area that promises to deliver successful metro growth in a next American economy that is more export-oriented, lower-carbon, more innovation-fueled, and opportunity rich. These business plans also solicit tailored responses for their achievement from federal, state, and local leaders.

## **ABOUT THE BROOKINGS-ROCKEFELLER PROJECT ON STATE AND METROPOLITAN INNOVATION**

This is part of a series of papers being produced by the Brookings-Rockefeller Project on State and Metropolitan Innovation.

States and metropolitan areas will be the hubs of policy innovation in the United States, and the places that lay the groundwork for the next economy. The project will present fiscally responsible ideas state leaders can use to create an economy that is driven by exports, powered by low carbon, fueled by innovation, rich with opportunity, and led by metropolitan areas.

## **ACKNOWLEDGMENTS**

The Metropolitan Business Planning initiative in Minneapolis Saint Paul would not have been possible without the leadership provided by cities of Minneapolis and Saint Paul, the Itasca Project, the Minnesota Department of Employment and Economic Development, Target Cooperation, and the Urban Land Institute Minnesota/Regional Council of Mayors. Special thanks for project management go to Jon Commers and Caren Dewar and to the steering committee including Allison Barmann, Cecile Bedor, Ben Edwards, Ernest Grumbles, Jeremy Hanson, Mayor Stan Harpstead, Leslie Holman, Mayor Jim Hovland, Michael Logan, Miles Mercer, Ann Mulholland, Ellen Muller, Burke Murphy, Carol Nielsen, Kathy Schmidtkofer, and Mayor Gene Winstead. Also, regional and state funders have been critical to this work including the above organizations and the Minneapolis Foundation, Saint Paul Foundation, and the Wells Fargo Foundation.

Project consulting was provided by Gretchen Koskaro of RW Ventures, and Mark Muro, Sarah Rahman, and Kenan Fikri at Brookings; and generous financial support was provided by the John D. and Catherine T. MacArthur Foundation, the George Gund Foundation, the F.B. Heron Foundation, the Heinz Endowments, the Rockefeller Foundation, and Target Corporation.

Brookings, in particular, also thanks the Metropolitan Leadership Council—a bipartisan network of individual, corporate, and philanthropic investors that provide it financial support but, more importantly, are true intellectual and strategic partners. While many of these leaders act globally, they retain a commitment to the vitality of their local and regional communities, a rare blend that makes their engagement even more valuable.

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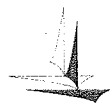
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## FOR MORE INFORMATION

This investment prospectus is a distilled version of a full-length, fully documented regional business plan that can be found here:  
<http://minnesota.uli.org/JobsEconomicDevelopment.aspx>

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